

# House File 2565 - Introduced

HOUSE FILE \_\_\_\_\_  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HF 2360)

(COMPANION TO SF 2264 BY  
COMMITTEE ON AGRICULTURE)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the biodiesel blended fuel tax credit for  
2 retail dealers, and providing for retroactive applicability.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 5988HV 82  
5 da/nh/8

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1 1 Section 1. Section 422.11P, Code Supplement 2007, is  
1 2 amended by adding the following new subsection:  
1 3 NEW SUBSECTION. 1A. As used in this section, biodiesel  
1 4 blended fuel is classified B=xx, where "xx" is the volume  
1 5 percent of biodiesel in the biodiesel blended fuel, which  
1 6 meets standards adopted in section 214A.2.  
1 7 Sec. 2. Section 422.11P, subsections 2 and 3, Code  
1 8 Supplement 2007, are amended to read as follows:  
1 9 2. The taxes imposed under this division, less the credits  
1 10 allowed under section 422.12, shall be reduced by the amount  
1 11 of the biodiesel blended fuel tax credit for each tax year  
1 12 that the taxpayer is eligible to claim a tax credit under this  
1 13 subsection. For a taxpayer  
1 14 ~~a. In order to be eligible, to claim the tax credit, the~~  
1 15 ~~taxpayer must be a retail dealer, and all of the following~~  
1 16 ~~must apply:~~  
1 17 ~~(1) a. The taxpayer is a retail dealer who sells and~~  
1 18 ~~dispenses biodiesel blended fuel through a motor fuel pump in~~  
1 19 ~~the tax year in which the tax credit is claimed.~~  
1 20 ~~(2) b. Of the total gallons of diesel fuel that the retail~~  
1 21 ~~dealer sells and dispenses through all motor fuel pumps during~~  
1 22 ~~the retail dealer's tax year, fifty percent or more is~~  
1 23 ~~biodiesel blended fuel which meets the requirements of this~~  
1 24 ~~section.~~  
1 25 ~~(3) c. The retail dealer complies with requirements of the~~  
1 26 ~~department established to administer this section.~~  
1 27 ~~b. The tax credit shall apply to biodiesel blended fuel~~  
1 28 ~~formulated with a minimum percentage of two percent by volume~~  
1 29 ~~of biodiesel, if the formulation meets the standards provided~~  
1 30 ~~in section 214A.2.~~  
1 31 3. The amount of the tax credit is ~~three cents multiplied~~  
1 32 ~~calculated by multiplying a designated rate by the total~~  
1 33 ~~number of gallons of each class of biodiesel blended fuel sold~~  
1 34 ~~and dispensed by the retail dealer through all motor fuel~~  
1 35 ~~pumps operated by the retail dealer during the retail dealer's~~  
2 1 ~~tax year. The schedule of designated rates for each class of~~  
2 2 ~~biodiesel blended fuel is as follows:~~  
2 3 ~~a. Three cents for biodiesel blended fuel which is~~  
2 4 ~~classified as B=2 or higher, but is not as high as B=5.~~  
2 5 ~~b. Seven and one-half cents for biodiesel blended fuel~~  
2 6 ~~which is classified as B=5 or higher, but is not as high as~~  
2 7 ~~B=10.~~  
2 8 ~~c. Fifteen cents for biodiesel blended fuel which is~~  
2 9 ~~classified as B=10 or higher, but is not as high as B=20.~~  
2 10 ~~d. Thirty cents for biodiesel blended fuel which is~~  
2 11 ~~classified as B=20 or higher.~~  
2 12 Sec. 3. RETROACTIVE APPLICABILITY DATE. Section 422.11P,  
2 13 as amended in this Act, and section 422.33, subsection 11C, as  
2 14 applied due to the enactment of this Act, shall apply,  
2 15 retroactively to the tax year beginning on or after January 1,

2 16 2008.

2 17

EXPLANATION

2 18 This bill amends provisions relating to the biodiesel  
2 19 blended fuel tax credit available to a retail dealer of diesel  
2 20 fuel who sells 50 percent or more biodiesel blended fuel  
2 21 during each tax year until the tax credit expires on January  
2 22 1, 2012. Code section 422.11P provides the tax credit for  
2 23 persons filing individual tax returns and Code section 422.33  
2 24 provides the same tax credit to corporations.

2 25 Biodiesel blended fuel is classified according to the  
2 26 percentage volume of biodiesel contained in a gallon of diesel  
2 27 fuel (e.g., "B=2" equals 2 percent biodiesel). The tax credit  
2 28 is based on the total number of gallons sold. The bill  
2 29 replaces the rate of 3 cents for each gallon of B=2 or higher  
2 30 sold, with a schedule which increases the rate depending upon  
2 31 the class of biodiesel blended fuel sold (from 3 cents for B=2  
2 32 to 30 cents for B=20 or higher).

2 33 The bill applies retroactively to the tax year beginning on  
2 34 or after January 1, 2008.

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